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MANIPAL INSTITUTE OF TECHNOLOGY

MANIPAL

(A constituent unit of MAHE, Manipal)

II SEMESTER M.TECH. (CEM)

END SEMESTER EXAMINATIONS, APRIL-MAY 2019

SUBJECT: CONSTRUCTION ECONOMICS & ACCOUNTING (CIE-5202)

REVISED CREDIT SYSTEM

(26 /04/2019)

Time: 3 Hours

MAX. MARKS: 50

Instructions to Candidates:

- ❖ Answer **ALL** the questions.
- ❖ Missing data may be suitable assumed.

Q. No		Marks	CO
1A.	<p>M/s MNC LTD. is a leading Project management consultancy. Below are the transactions for the month of March 2019.</p> <p>March 1: Commenced a business with cash Rs. 50,000 and machinery Rs. 50,000.</p> <p>March 7: Opened an account in SBI Bank with Rs. 60,000</p> <p>March 10: Provided services on account to M/s. P2P solutions worth Rs. 50,000</p> <p>March 12: M/s. P2P Solutions declared insolvent.</p> <p>March 15: Received a cheque of Rs. 10,000 for the service rendered to customers.</p> <p>March 20: Paid advance insurance Rs. 10,000</p> <p>March 27: Paid salary to Mr. Rajan Rs. 30,000.</p> <p>March 31: Paid utility charges Rs. 20,000</p> <ol style="list-style-type: none"> 1. Journalise the listed transactions 2. Post the transactions in the relevant general ledger accounts <p>Prepare a Trial Balance as on 31.03.2019.</p>	7M	CO1
1B	Explain the merits and demerits of Accounting Rate of Return (ARR) method of investment evaluation.	3M	CO4
2A.	Define the term 'cash flow'. Discuss the importance of cash flow statement in detail.	4M	CO4



2B.	Prepare the Profit & Loss Account and Balance sheet of Rajesh & Co. after considering the adjustments for the Trial Balance shown on December 31, 2019 as follows:	6M	CO2																																													
	<table><tr><th>Particulars</th><th>Debit (Rs.)</th><th>Credit (Rs.)</th></tr><tr><td>Building</td><td>800000</td><td></td></tr><tr><td>Repairs & maintenance</td><td>10500</td><td></td></tr><tr><td>Debtors</td><td>100000</td><td></td></tr><tr><td>Salary</td><td>20500</td><td></td></tr><tr><td>Rent</td><td>9000</td><td>7000</td></tr><tr><td>Bank Loan</td><td></td><td>600000</td></tr><tr><td>Machinery</td><td>82000</td><td></td></tr><tr><td>Utility expenses</td><td>13000</td><td></td></tr><tr><td>Fixed Deposit with Bank</td><td>100000</td><td></td></tr><tr><td>Interest</td><td>20000</td><td>13000</td></tr><tr><td>Advance to Mukesh</td><td>15000</td><td></td></tr><tr><td>Bad debt</td><td>10000</td><td></td></tr><tr><td>Capital</td><td></td><td>560000</td></tr><tr><td></td><td>1180000</td><td>1180000</td></tr></table>			Particulars	Debit (Rs.)	Credit (Rs.)	Building	800000		Repairs & maintenance	10500		Debtors	100000		Salary	20500		Rent	9000	7000	Bank Loan		600000	Machinery	82000		Utility expenses	13000		Fixed Deposit with Bank	100000		Interest	20000	13000	Advance to Mukesh	15000		Bad debt	10000		Capital		560000		1180000	1180000
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1. Outstanding rental expenses Rs. 10,000																																																
2. Interest earned but not received Rs. 5,000																																																
3A.	A company sells his product at Rs. 200 each. Variable costs are 100 per unit and fixed cost of production are Rs. 6,00,000.	4M	CO5																																													
	a. What is product break-even point in units and sales in rupees?																																															
	b. How much should the company sell to make a profit of Rs. 40,000 ?																																															
3B.	From the balance sheet as shown, prepare the Common size Balance sheet (CBS) and comment on the performance. (All figures in below table are in Rs.)	6M	CO3																																													
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4A.	Explain the sources of short term finance for the business.	3M	CO4																																													
	4B.			Discuss the advantages and limitations of budgetary control.	3M	CO4																																										



4C.	For the statement of profit shown for the respective year 2017 and 2018, comment on i) Gross profit ratio ii) Net Profit Ratio and iii) Interest coverage Ratio.	4M	CO3																					
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5A.	What is Working Capital ? Explain any four factors determining working capital?	4M	CO4																					
5B.	Write a short note on the following: i. Preference Shares ii. Perfect Market iii. Debentures	3M	CO3, CO4																					
5C.	Explain law of demand with a neat sketch ? What are the determinants of demand ?	3M	CO5																					